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09/710,443	11/10/2000	David Grylewicz	4367-1	5255

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EXAMINER

MCALLISTER, STEVEN B

ART UNIT PAPER NUMBER

3627

DATE MAILED: 12/09/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.
09/710,443

Applicant(s)
Gryglewicz et al

Examiner
Steven McAllister

Art Unit
3627



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on Oct 1, 2003
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 12-21, 43-49, 68, 72-74, and 79 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 12-21, 43-49, 68, 72-74, and 79 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____ 6) ☐ Other:

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DETAILED ACTION

Claim Rejections - 35 USC § 101

1. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.
2. Claims 12-21, 43-46, 49 and 68 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In order to be statutory subject matter, a claim's subject matter must be useful, concrete and tangible. Claim 12 recites determining one or more tax authorities that has a nexus "with the address information". However, it is not clear which address information is being contemplated. Several different options appear to be discussed in pg. 3, lines 40-48. Since there are several possible types of address data that can be used the outcome of the system is not assured and the subject matter is therefore not concrete and not statutory.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 12-21, 43-46, ⁴⁷49 and 68 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

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Claim 12 is unclear because it recites that the control system is associated with “providing business rules of the first merchant”. However, as understood by the examiner the business rules are provided to the control system.

Claim 12 is unclear because it recites that the control system determines a tax for “the address information”, but several different types of address information are recited in the claim and it is unclear which address information is intended to be claimed. The recited text on page 3, lines 40-48 recites determining whether several different address would be acceptable. It is not clear exactly what is being claimed and it appears that an address, reduced address and a substitute address are all contemplated.

Claim 47 is unclear because it recites business rules (1), (2), and (3) which are “obtained from at least the following business rules”. It is not clear what “obtained from the at least” means -- for instance, whether it means is chosen from among the rules, or is derived as a combination of the rules.

Claim 47 is unclear because “tax to collect and being obtained” and “shipping and being obtained” are unclear.

Claim Objections

5. Claims 12-21, 43-46, 49 and 68 are objected to because of the following informalities: in claim 12, on pg. 3, line 45, it appears that “process” should be “processing”; on pg. 3, line 47 it appears that “is there” should be “determining if there is”. Appropriate correction is required.

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Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 12-17, 20, 21, 43, 45, 46, 49, and 68 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al (5774872) in view of System Overview for Internet Transaction Servers (Taxware) and Gralla, "How the Internet Works" (Gralla).

Golden et al show a control system 12, 30 capable of communicating with merchant computers 14,16, merchant bank computers 39, and tax authority computers 38 (see abstract). It further shows storing debit information for debiting merchant banks, credit information for providing credits to the taxing authorities, merchant information, and tax authority information. It also shows receiving transaction data about a taxable transaction for a plurality of merchants including first transaction information received from a first merchant computer (col. 3, lns. 19-30). It further shows debiting a merchant bank and crediting a tax authority an amount related to the first transaction amount (since the amount of tax of the first transaction is included in the amount debited) to pay the merchant's tax (Fig. 1; col. 5, lines 7-12) and providing reports (col. 7, lns. 35-40). Golden et al do not show that the first transaction information is sent at the same time as the first transaction or that digital certificates are used. Taxware shows first

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transaction data sent at the time of the transaction to the tax calculation server. It would have been obvious to one of ordinary skill in the art to modify the system of Golden et al by immediately sending the transaction data to minimize the chance of the data being lost due to a crash of the merchant computer and to gather the data in a timely manner. Gralla shows using digital certificates. It would have been obvious to one of ordinary skill in the art to modify the apparatus of Golden et al by using digital certificates in order to provide data security. As to "wherein related to the first transaction said control system is involved with: validating or invalidating ... creating a substitute address record", it is noted that this appears only to be an intended use of the apparatus and not a further limitation of the apparatus.

As to claims 13 and 21, it is noted that Golden et al show main tax gateway 12 and a plurality of distributed tax gateways 30 (see Fig. 2) in communication with the main gateway. The main tax gateway has a controlling subsystem comprising processing circuits and memory subsystems comprising RAM and hard drive since the gateway is a computer. It is inherent that the stored information would be stored in the memory subsystem since that is how a computer maintains data.

As to claim 14, it is inherent that the tax gateway would access a merchant related data store having merchant bank information for each merchant's respective bank since the system performs debits from the merchants' banks (col. 5, lines 7-12) to pay the merchants' taxes and such information must be accessed to perform the debits.

As to claim 15, intended use only is recited. No further limitations are positively claimed.

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As to claim 16, it is noted that Golden et al show a distributed tax gateway with a controlling subsystem (since it is a computer) in which the first merchant computer calculates the first tax amount.

As to claim 17, it is noted that Proposal shows communication networks including the internet.

As to claim 20, the main tax gateway inherently stores the claimed information since it is necessary for the server to initiate communication with the tax authority designated computers and to know which bank to debit tax payments from

As to claim 43, the system of Golden et al can automatically transfer funds from the merchant's bank to the taxing authority bank (col. 7, lines 45-52). Therefore it is inherent that Golden et al has a controlling subsystem with a tax management system capable of carrying out such transfers.

As to claim 45, Golden et al in view of Taxware and Gralla show a network interface for receiving a request for determining tax on a first transaction and for responding to the merchant.

As to claim 46, it is noted that the control system of Golden et al in view of Taxware and Gralla as discussed regarding claim 45 includes a merchant interaction control system since an automated interaction with the merchant computer is taking place and it is necessary to have such a subsystem to control it. This control system is in contact with a tax computing engine.

As to claim 49, it is noted that all elements of the claim are shown except that the control system receives data from the merchant without requesting it. However, it is notoriously old and

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well known in the art to transmit data via a "push" mode. It would have been obvious to one of ordinary skill in the art to further modify the apparatus of Golden et al by doing so in order to free up the control system from polling multiple computers and to therefore be more efficient.

As to claim 68, it is noted that Golden et al in view of Taxware and Gralla show that the system assesses which authorities have a nexus based on the nexus business rules of the merchant.

8. Claims 47, 72-74 and 79 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al (5774872) in view of System Overview for Internet Transaction Servers (Taxware).

Golden et al show a control system 12, 30 capable of communicating with merchant computers 14,16, merchant bank computers 39, and tax authority computers 38 (see abstract). It further shows storing debit information for debiting merchant banks, credit information for providing credits to the taxing authorities, merchant information, and tax authority information. It also shows receiving transaction data about a taxable transaction for a plurality of merchants including first transaction information received from a first merchant computer (col. 3, lns. 19-30). It also shows that the control system uses first business rules and nexus information, wherein the first business rules are related to a tax method, what taxes to collect and how to treat shipping expenses. It is inherent that these business rules are used since the questions addressed in them must be answered to correctly calculate taxes. Golden et al do not show that the first

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transaction information is sent at the same time as the first transaction. Taxware shows first transaction data sent at the time of the transaction to the tax calculation server. It would have been obvious to one of ordinary skill in the art to modify the system of Golden et al by immediately sending the transaction data to minimize the chance of the data being lost due to a crash of the merchant computer and to gather the data in a timely manner.

As to claim 72, Golden et al in view of Taxware do not explicitly show providing the business rules as part of merchant enrollment, but it is notoriously old and well known in the art to do so. It would have been obvious to one of ordinary skill in the art to further modify the apparatus of Golden et al by providing the information at enrollment in order to avoid functional problems caused by gaps in information later. Additionally, it is noted that the "control system" of the claims is interpreted as an apparatus. The time at which the information is provided is not a limitation upon the apparatus, but on the method of using the apparatus.

As to claims 73 and 74, it is noted that determining whether a user is entitled to access a system via an identification record is notoriously old and well known in the art. It would have been obvious to one of ordinary skill in the art to provide such determination in order to keep unauthorized users out, therefore increasing the number of people willing to pay, decreasing server load and increasing system security.

As to claim 79, it is noted that the control system makes determinations related to a tax method to be used and calculated results based on the business rules such as nexus rules.

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9. Claim 48 is rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al in view of Taxware as applied above, and further in view of Chong (5,335,169).

Golden et al in view of Taxware show all elements of the claim, except first and second sets of business rules comprising first, second and third numbers of business rules, where when nexus information is the same, a plurality of business rules are different. Chong shows business rules comprising a tax method, taxes to collect, and shipping (see, e.g. col. 4, line 43 - col. 5; and Appendix A). It would have been obvious to one of ordinary skill in the art to further modify the apparatus of Golden et al by accessing merchant files with unique data in order to tailor the system to the particular users.

10. Claim 44 is rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al in view of Taxware and Gralla as applied to claims 12, 13 and 43 above, and further in view of Fulton.

Golden et al in view of Francisco et al and Taxware show all elements of the claims except transferring funds via ACH. Fulton shows such transfers. It would have been obvious to one of ordinary skill in the art to further modify the apparatus of Golden et al by using ACH transfers to take advantage of a well established and simple means to transfer funds.

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11. Claim 18 and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al in view of Taxware and Gralla as applied to claims 12, 13 and 43 above, and further in view of Todd.

Golden et al in view of Francisco et al and Taxware show all elements of the claims except storing validation and verification information. Todd shows storing such information. It would have been obvious to one of ordinary skill in the art to further modify Golden et al as taught by Todd in order to increase security of the system.

Response to Arguments

12. Applicant's arguments with respect to claims 12-21, 43-49, 68, 72-74 and 79 have been considered but are moot in view of the new ground(s) of rejection.

It is noted that in examining an apparatus claims as claimed, the source of the business rules used (e.g., the merchant as opposed to rules from another source) in determining taxes does not carry patentable weight.

The Applicant is invited to call the examiner if a he believes a telephonic discussion would be helpful in clearing up an questions as to interpretation, or any questions generally.

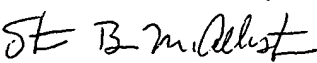
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Conclusion

13. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Steven B. McAllister whose telephone number is (703) 308-7052.


Steven B. McAllister

December 7, 2003